

## GOVERNMENTAL VEHICLE.

THE ADMINISTRATION MAY NOT SUSPEND A LICENSE OR REGISTRATION UNDER THIS SUBTITLE IF THE JUDGMENT AROSE OUT OF AN ACCIDENT CAUSED BY A VEHICLE THAT, AT THE TIME OF THE ACCIDENT:

(1) WAS OWNED OR LEASED BY THE UNITED STATES, THIS STATE, OR ANY POLITICAL SUBDIVISION OF THIS STATE; AND

(2) WAS OPERATED WITH THE PERMISSION OF ITS OWNER OR LESSEE.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 66 1/2, §7-205.

17-206. SAME - EXCEPTION AS TO JUDGMENT FOR WHICH INSURER WAS OBLIGATED TO PAY.

(A) GENERAL RULE.

(1) THE ADMINISTRATION MAY NOT SUSPEND A LICENSE OR REGISTRATION UNDER THIS SUBTITLE IF THE ADMINISTRATION FINDS THAT AN INSURER WAS OBLIGATED TO PAY THE JUDGMENT, AT LEAST TO THE EXTENT AND AMOUNTS REQUIRED BY THE MARYLAND VEHICLE LAW, EVEN IF THE JUDGMENT HAS NOT BEEN PAID FOR ANY REASON.

(2) A FINDING BY THE ADMINISTRATION THAT AN INSURER WAS OBLIGATED TO PAY A JUDGMENT DOES NOT BIND THE INSURER AND, EXCEPT FOR ADMINISTERING THE PROVISIONS OF THIS SECTION, HAS NO LEGAL EFFECT.

(3) NOTWITHSTANDING ANY FINDING BY THE ADMINISTRATION, PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY IF, IN A JUDICIAL PROCEEDING, A COURT DETERMINES BY A FINAL ORDER OR DECREE THAT THE INSURER IS NOT OBLIGATED TO PAY THE JUDGMENT.

(B) WHEN INSURER GOES INTO INSOLVENCY, REORGANIZATION, OR LIQUIDATION.

THE ADMINISTRATION MAY NOT SUSPEND A LICENSE OR REGISTRATION UNDER THIS SUBTITLE IF:

(1) THE JUDGMENT DEBTOR OR THE VEHICLE TO WHICH THE JUDGMENT RELATES WAS INSURED BY AN INSURER THAT WAS AUTHORIZED TO DO BUSINESS IN THIS STATE;

(2) AFTER THE ACCIDENT INVOLVING THE OWNER OR DRIVER AND BEFORE SETTLEMENT OF THE CLAIM, THE INSURER WENT INTO INSOLVENCY, REORGANIZATION, OR LIQUIDATION; AND

(3) AS A RESULT OF THE INSOLVENCY, REORGANIZATION, OR LIQUIDATION, NO BENEFIT, OTHER THAN BENEFITS USED EXCLUSIVELY TOWARDS SATISFYING THE